

**Chris Robertson**

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**From:** Eileen Barrett  
**To:** Chris Robertson  
**Cc:**  
**Subject:** FW: Intercept Payment ... New Merchant Credit Card Processor...  
**Attachments:**

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**From:** Wayne Callahan  
**Sent:** Sun 11/2/2003 12:03 AM  
**To:** Bob Maihos  
**Cc:** Eileen Barrett  
**Subject:** RE: Intercept Payment ... New Merchant Credit Card Processor...

The LAST TWO PARAGRAPHS ARE IMPORTANT!

Bob (eileen cc'd):

I checked out this CC processor's website and I am VERY impressed. The reporting and the flexibility of having different accounts is superb. In addition, what I particularly like are the programming interfaces they make available so you can connect their system to your system in a variety of ways... I'm thinking reconciliation... making sure you get paid everything DMC is due by pulling the data from them and posting it to your database (this is available with Verisign but is not automated;... in fact, it WAS something Karen Cushman manually did, but hasn't kept up with (we'll discuss later))

Intercept's system can be automated and they can SEND the transactions to us daily for reconciliation purposes using their ATRS (Automated Transaction Reporting System).

In particular, I think this processor understands the particular challenges and inherent risks in your processing environment: ... inbound call center with non-card presentment.

**BUT**, I think we need to learn from our missteps from the last two attempts to secure another processor. I'm willing, and excited, to get another processor, however I have a few concerns:

1. I suggest that we plan on a transition and not separate quickly nor fully with Chase. (I need the Chase contract, please).
2. I suggest I be the point-man on getting this done, if you decide to go forward.
3. I suggest we begin to send a certain class of transaction or discreet transaction group (however you want to segregate it). This makes reconciliation easier. And, we'd be able to transition smoothly rather than jump ship.

One of the great benefits of this processor is that we can setup multiple accounts with different text to appear such as ITV DIRECT - SUPREME GREEN or ITV DIRECT - ALKASLIM....Presently, beyond the confusion of the text appearing on the credit card reading as Direct Marketing Concepts, we have the additional challenge of only having the 1 account... so if there's a fraud issue or a unseen future issue resulting in a particularly HIGH return/chargeback rate for 1 particular product, the way we're structured now, the entire merchant account can be shut down!!

Whether or not you want me to be the pointman on this (and it may not be the best idea), my concerns are twofold:

1. We want to negotiate from a position of strength ... that is.. you want them to want/earn your business and to know you're a large national account with a stellar processing record with Chase.
2. During the last application process, I became keenly aware of those issues that make the processor nervous... Remember, we're dealing with credit card company sales reps, but the financials and other processing reports have to pass the muster of an underwriting department.

Specifically, the issues that made the underwriting departments 'nervous' (and thus either charge us a higher discount

rate require a higher holdback/escrow) revolved around "continuity". We need to be very clear about this issue and I recently saw an email regarding new terminology for "auto-ship". Returns policies and scripts need to be reviewed by the point-person before submission. We may need to select our perceived "safest" product... In other words, I don't feel you should say you are involved in any way with the Coral Calcium industry as the issues before it are, at this point, well known. Thus, I'd suggest we say we only sell Supreme Greens, or some other such product. You'll also be asked for your marketing materials, such as videotapes, etc. Likewise, we need to analyze our return/credit/chargeback ratios before application/submission because that may cause underwriting concern.

Lastly, we need to bring Brian Middendorf in early because there are DMC database issues to be discussed. At the least, as I mentioned above, I don't suggest you turn off 100% the processing through Chase. We may, however, be able to eliminate submissions through Verisign by going direct to Intercept. A potential database issue might revolve around credits issued. I don't know if Brian has programmed the database to only accept the processing of credits for a customer only if a prior capture/sale exists (that's good security, by the way... making sure that someone just can't be running credits through your system)..... this may be a challenge if we use two processing gateways...

The LAST TWO PARAGRAPHS ARE IMPORTANT

Hi, I'm just checking email and doing some research into the issue with sales shipping and credit cards not being processed and I've found more examples of such. We need to get a handle on this issue immediately. But, first I want to discuss this with Bob and possibly Steve Paris.

I DON'T want a repeat of Friday. I made a mistake by not having all my information printed out beforehand. I only sampled one transaction and a change was made to the reporting system immediately. But I am sure the "people" problem still exists. And, I believe this to be a significant amount of money. I would like to discuss this with you Monday... with the both of us sitting down and looking at the details.

Please call.

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**From:** Eileen Barrett  
**Sent:** Tue 10/28/2003 9:11 AM  
**To:** Wayne Callahan  
**Cc:** Bob Maihos  
**Subject:** FW: our conversation today

Hi Wayne,

When you get a chance, could you please look over this information and see if you think it would be worthwhile to apply for a merchant account with this company.

She mentioned that sometimes they do not need to take a reserve (which will make Bob happy!)

Donald met this woman at a conference out in Las Vegas.

Let me know how you make out.

Thanks.

Eileen R. Barrett  
Direct Marketing Concepts, Inc.  
978-299-2231

-----Original Message-----

From: dhinderstein@ibill.com [mailto:dhinderstein@ibill.com]

Sent: Monday, October 27, 2003 11:34 PM

To: Eileen Barrett

Subject: our conversation today

Hi Eileen,

Here's some information on our company.

INTERCEPT PAYMENT SOLUTIONS, a division of the public company Intercept, handles over 9000 merchants and processes around 2.5 million transactions per month with a gross total of \$4 billion a year.

You can check out our online demo at <http://www.interceptpaymentsolutions.com> There, it will show how any merchant can drill down to see their batches and individual transactions in real time. It's even broken down by credit card type. Plus, our charge back management team has a 70% track record in reversing our client's charge backs!

Or, you can call me and I'll walk you through it on the phone. It'll only take us a couple of minutes!

The highlights of our solution include:

- \* Unique "straight thru" processing system-End to end solution including payment processing and Merchant Account allows you to track entire transaction throughout process until settlement. Meaning, you don't need a separate gateway and a separate processor. For example, Verisign is a gateway and Paymentech is a processor.

- \* Chargeback Management Team that fights to resolve your chargebacks. We have a 70% track record of reversing charge backs. Our online reporting allows merchants to see how we are resolving their disputes. This is no cost to the client.

- \* Integrated transaction processing and reporting across multiple payment channels. Platform handles all distribution channels (Internet, call center, POS, wireless).

- \* Drill down reporting, which includes settlement funds auditing, real-time transaction access, and allows for customization of reports and file formats.

- \* Fully Internet based, paperless, charge back management system that allows Customer Service to perform online adjudication and to respond in real time.

- \* API based implementation that allows for proven and simple implementation.

\* Extremely competitive credit card merchant account rates because we eliminate the customary back end settlement costs.

\* Dedicated Account team consisting of National Account Manager, Premium Support Representative and Systems Engineer.

Feel free in the meantime to call or email. Also, attached is a PDF file for more information. I'll follow up with you later in the week.

Blessings,

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National Accounts Manager  
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<<IPS DH Screen.pdf>>

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